



# NEWSLETTER <sup>Weekly</sup>

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## SECURITIES AND EXCHANGE BOARD OF INDIA

### **1. Simplification of Offer Document.**

On December 20, 2024, SEBI issued a circular (SEBI/HO/IMD/IMD-RAC-1/P/CIR/2024/179) to simplify the process of submitting and reviewing Scheme Information Documents (SIDs) for mutual funds. The circular modifies previous guidelines set in the Master Circular dated June 27, 2024. Previously, draft SIDs were required to be available on SEBI's website for 21 working days to receive public feedback on their disclosures. However, after reviewing this process and consulting the public, SEBI has now reduced the duration to 8 working days. Following this, the Asset Management Companies (AMCs) may file the final offer documents. SEBI also deleted some previous provisions and clarified that observations on draft SIDs will be valid per the updated guidelines. The changes aim to streamline the process while maintaining adequate investor protection. This modification will be effective immediately.

For more information, you can access the SEBI circular here:

[https://www.sebi.gov.in/legal/circulars/dec-2024/simplification-of-offer-document\\_90097.html](https://www.sebi.gov.in/legal/circulars/dec-2024/simplification-of-offer-document_90097.html)

### **2. Industry Standards on Reporting of BRSR Core.**

SEBI has issued a circular (SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177) on December 20, 2024, outlining industry standards for the reporting of the Business Responsibility and Sustainability Report (BRSR) Core. These standards, developed by the Industry Standards Forum (ISF) comprising ASSOCHAM, FICCI, and CII, aim to facilitate the standardization and ease of implementation of BRSR Core disclosures under SEBI's LODR Regulations. The guidelines are designed to help listed entities comply with requirements outlined in Regulation 34(2)(f) of the LODR Regulations, and will be applicable for the financial year 2024-25 and onwards. Stock exchanges and industry associations will publish these standards on their websites, and listed entities are expected to adhere to them to ensure proper compliance. The circular also mandates that stock exchanges notify their listed entities about the new requirements. This directive was issued under SEBI's powers per the SEBI Act, 1992, and Regulation 101 of the LODR Regulations.

For more information, you can access the SEBI circular here:

[https://www.sebi.gov.in/legal/circulars/dec-2024/industry-standards-on-reporting-of-brsr-core\\_90091.html](https://www.sebi.gov.in/legal/circulars/dec-2024/industry-standards-on-reporting-of-brsr-core_90091.html)

### **3. Policy for Sharing Data for the Purpose of Research / Analysis.**

The Securities and Exchange Board of India (SEBI) issued a circular on December 20, 2024, regarding its updated policy for sharing market data for research and analysis purposes. This policy aims to provide accredited academic institutions access to anonymized data for research while maintaining the privacy and security of sensitive information. SEBI emphasized the need for stock exchanges, depositories, and clearing corporations to segregate their data into two categories: publicly available data and restricted data. The first category, known as the "first basket," includes aggregate and analysed data, such as trading statistics, indices snapshots, and corporate bond reports. This data can be freely shared with the public and researchers, with certain restrictions on volume and processing, for which a small fee may be charged. The second category, the "second basket," contains confidential information, such as KYC data, trade logs, and entity details, which cannot be shared publicly due to privacy concerns.

The circular outlines that stock exchanges, depositories, and clearing corporations must identify and categorize their data according to these baskets and submit the data list to SEBI for approval within 60 days. The data in the first basket should be made available in a stakeholder-friendly format, and sample files for these datasets should be placed on the respective organizations' websites. Furthermore, a "data seeking request form" must be made available for researchers to justify the necessity of specific data for their research projects. The new policy aims to strike a balance between data privacy and providing access for academic research, with the implementation set to be reviewed annually.

For more information, you can access the SEBI circular here:

[https://www.sebi.gov.in/legal/circulars/dec-2024/policy-for-sharing-data-for-the-purpose-of-research-analysis\\_90088.html](https://www.sebi.gov.in/legal/circulars/dec-2024/policy-for-sharing-data-for-the-purpose-of-research-analysis_90088.html)

#### **4. Measures to address regulatory arbitrage with respect to Offshore Derivative Instruments (ODIs) and FPIs with segregated portfolios vis-à-vis FPIs.**

SEBI's latest circular, SEBI/HO/AFD/AFD-POD-3/P/CIR/2024/176, outlines amendments to regulations concerning Offshore Derivative Instruments (ODIs) and Foreign Portfolio Investors (FPIs). The circular modifies the requirements for issuing ODIs, mandating that FPIs issue ODIs only through a separate dedicated registration. ODIs must be fully hedged with securities (excluding derivatives) and cannot be hedged through Indian stock exchange derivatives. The new rules also introduce additional disclosure requirements for ODI subscribers meeting specific thresholds, such as holding large equity positions in Indian corporate groups. These disclosures aim to enhance transparency and mitigate risks of regulatory arbitrage. The circular further specifies exemptions for certain categories, such as government-related investors and retail funds. The SEBI mandates that ODI issuing FPIs and depositories track and report compliance, ensuring that subscribers realign their positions if they exceed prescribed thresholds. A detailed Standard Operating Procedure (SOP) will be developed for monitoring compliance, with penalties for non-compliance. These measures aim to bolster the integrity of the Indian securities market and enhance oversight of ODI transactions.

For more information, you can access the SEBI circular here:

[https://www.sebi.gov.in/legal/circulars/dec-2024/measures-to-address-regulatory-arbitrage-with-respect-to-offshore-derivative-instruments-odis-and-fpis-with-segregated-portfolios-vis-vis-fpis\\_89986.html](https://www.sebi.gov.in/legal/circulars/dec-2024/measures-to-address-regulatory-arbitrage-with-respect-to-offshore-derivative-instruments-odis-and-fpis-with-segregated-portfolios-vis-vis-fpis_89986.html)

### **MINISTRY OF FINANCE**

#### **1. GST Council paves way for CGST Act amendments during Budget session.**

The Goods and Services Tax (GST) Council has paved the way for several amendments to the CGST Act, including a retrospective change to reverse the Supreme Court's judgment in the Safari Retreats case, during the Budget session. Other proposed amendments include provisions empowering the government to enforce a track-and-trace mechanism for specified evasion-prone commodities. In a statement, the Ministry of Finance said the proposals would come into force after the amendments to the law. Many of these amendments are proposed to take effect from April 1, 2025.

For more information, you can access the GOI press release here:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2086873>

#### **2. Union Minister for Finance and Corporate Smt. Nirmala Sitharaman chairs meeting to review the performance of eight Regional Rural Banks (RRBs) in Eastern Region covering four states of Bihar, Jharkhand, Odisha and West Bengal, in Patna.**

RRBs must increase their share in ground level agriculture credit disbursement with special focus on allied agriculture activities like dairy, animal husbandry, and fisheries: Smt. Sitharaman Union Finance Minister emphasizes importance of accelerating technology upgradation in RRBs the region to enhance efficiency and service delivery Smt. Sitharaman stressed on a saturation drive to scale up subscription under the three Social

Security (Jan Suraksha) schemes Union Finance Minister urges state government to support banks for increasing credit flow to women SHGs and suggested that NABARD and SIDBI may help SHGs to evolve into enterprises Bihar Deputy CM Shri Samrat Chaudhary urges banks to provide increased support to small scale industries and increase digital transactions in rural areas.

For more information, you can access the GOI press release here:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2079149>

### **3. UPI: Revolutionizing Digital Payments in India.**

In October 2024, Unified Payments Interface (UPI) achieved a historic milestone by processing 16.58 billion financial transactions in a single month, underscoring its pivotal role in India's digital transformation. Launched in 2016 by the National Payments Corporation of India (NPCI), UPI has revolutionized the nation's payment ecosystem by integrating multiple bank accounts into a single mobile application. This system enables seamless fund transfers, merchant payments, and peer-to-peer transactions, offering users flexibility through scheduled payment requests. UPI has not only made financial transactions fast, secure, and effortless, but it has also empowered individuals, small businesses, and merchants, driving the country's shift toward a cashless economy. This remarkable achievement highlights India's commitment to leveraging technology for inclusive growth and economic progress.

For more information, you can access the GOI press release here:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2079544&s=08>

## **MINISTRY OF CORPORATE AFFAIRS**

### **1. IBC amended six times to strengthen the process of Insolvency Resolution, more than 100 amendments in regulations by IBBI for the purpose.**

To strengthen the process of Insolvency Resolution and to ensure proper implementation of the provisions of Insolvency and Bankruptcy Code, 2016 (IBC), the Government has made six amendments to the IBC. Further, Insolvency and Bankruptcy Board of India has made more than 100 amendments in regulations since inception of IBC based on the needs of the market to streamline processes and maximize value of the assets of the Corporate Debtor.

For more information, you can access the GOI press release here:

<https://pib.gov.in/PressReleasePage.aspx?PRID=2085199>

## **RESERVE BANK OF INDIA**

### **1. Premature redemption under Sovereign Gold Bond (SGB) Scheme – Redemption Price for premature redemption due on December 18, 2024 (Series XII of SGB 2017-18).**

In terms of GOI Notification F.No.4(25)–W&M/2017 dated October 06, 2017 (SGB 2017-18 Series XII - Issue date December 18, 2017) on Sovereign Gold Bond Scheme, premature redemption of Gold Bond may be permitted after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the next due date of premature redemption of the above tranche shall be December 18, 2024. Further, the redemption price of SGB shall be based on the simple average of closing gold price of 999 purity of previous three business days from the date of redemption, as published by the India Bullion and Jewellers Association Ltd (IBJA). Accordingly, the redemption price for premature redemption due on December 18, 2024, shall be ₹7,673/- (Rupees Seven Thousand Six Hundred and Seventy-Three only) per unit of SGB based on the simple average of closing gold price for the three business days i.e., December 13, December 16, and December 17, 2024.

For more information, you can access the RBI press release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59320](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59320)

## **2. Removal of supervisory restrictions: ECL Finance Limited and Edelweiss Asset Reconstruction Company Limited.**

On May 29, 2024, the Reserve Bank of India had, in exercise of its powers under the Reserve Bank of India Act, 1934 and the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) imposed business restrictions on the following supervised entities respectively, belonging to the Edelweiss Group.

- a. ECL Finance Ltd was directed to cease and desist from undertaking any structured transactions in respect of its wholesale exposures, other than repayment and/ or closure of accounts in its normal course of business.
- b. Edelweiss Asset Reconstruction Company Limited was directed to cease and desist from acquisition of financial assets including security receipts (SRs) and reorganizing the existing SRs into senior and subordinate tranches.

Subsequently, the companies engaged with Reserve Bank on the remedial measures to address the supervisory concerns. Now, having satisfied itself based on submissions and remedial measures put in place by these companies to address the concerns of RBI and their commitment to ensure adherence to the Regulatory Guidelines at all times and on an ongoing basis, the Reserve Bank has decided to lift the aforementioned restrictions placed on ECL Finance Limited and Edelweiss Asset Reconstruction Company Limited, with immediate effect.

For more information, you can access the RBI press release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59321](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59321)

## **3. RBI imposes monetary penalty on Manappuram Finance Limited.**

The Reserve Bank of India (RBI) has, by an order dated December 16, 2024, imposed a monetary penalty of ₹20,00,000/- (Rupees Twenty Lakh only) on Manappuram Finance Limited (the company) for non-compliance with certain provisions of “Reserve Bank of India (Know Your Customer (KYC)) Direction, 2016” issued by RBI. This penalty has been imposed in exercise of powers conferred on RBI under clause (b) of sub-section (1) of Section 58G read with clause (aa) of sub-section (5) of Section 58B of the Reserve Bank of India Act, 1934. The statutory inspection of the company was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the company advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the company’s reply to the notice and oral submissions made by it during the personal hearing, RBI found that the following charges against the company were sustained, warranting imposition of monetary penalty:

- a. It failed to undertake verification of PAN of customers from verification facility of the issuing authority at the time of customer acceptance; and
- b. It allotted multiple identification codes to certain customers instead of a Unique Customer Identification Code (UCIC) for each customer.

This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the company. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the company.

For more information, you can access the RBI notification here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59352](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59352)

#### 4. RBI imposes monetary penalty on IndusInd Bank Ltd.

The Reserve Bank of India (RBI) has, by an order dated December 18, 2024, imposed a monetary penalty of ₹27.30 lakh (Rupees Twenty-Seven Lakh and Thirty Thousand only) on IndusInd Bank Ltd. (the bank) for non-compliance with certain provisions of 'Reserve Bank of India (Interest Rate on Deposits) Directions, 2016'. This penalty has been imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949. The Statutory Inspection for Supervisory Evaluation (ISE 2023) of the bank was conducted by RBI with reference to its financial position as on March 31, 2023. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the bank advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the bank's reply to the notice, additional submissions made by it and oral submissions made during the personal hearing, RBI found, inter alia, that the charge pertaining to opening of certain savings deposit accounts in the name of ineligible entities was sustained, warranting imposition of monetary penalty. The action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transactions or agreement entered into by the bank with its customers. Further, imposition of monetary penalty is without prejudice to any other action that may be initiated by RBI against the bank.

For more information, you can access the RBI notification here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=59351](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59351)

**You may send your suggestions at [niyati@asalegal.in](mailto:niyati@asalegal.in)**

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